

QUINN EMANUEL URQUHART OLIVER & HEDGES, LLP

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*Special Counsel For The Official Committee
Of Unsecured Creditors Of
Lehman Brothers Holdings Inc., et al.*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re:	:	
	:	Chapter 11
	:	
LEHMAN BROTHERS HOLDINGS INC.,	:	
<u>ET AL.</u>,	:	Case No. 08-13555 (JMP)
	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
	:	
-----X	:	

**THIRD SUPPLEMENTAL DECLARATION OF SUSHEEL KIRPALANI
IN CONNECTION WITH EMPLOYMENT OF QUINN EMANUEL URQUHART
OLIVER & HEDGES, LLP AS SPECIAL COUNSEL TO OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF LEHMAN BROTHERS HOLDINGS INC., ET AL.**

Susheel Kirpalani hereby declares, under penalty of perjury:

1. I am a member of Quinn Emanuel Urquhart Oliver & Hedges, LLP ("Quinn Emanuel"), a law firm with offices at 51 Madison Avenue, New York, New York 10010, and in Los Angeles, San Francisco, Silicon Valley, California, London, England, and Tokyo, Japan.
2. I submit this declaration in connection with Quinn Emanuel's representation of the Official Committee of Unsecured Creditors (the "Creditors' Committee") of Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in possession (collectively,

the "Lehman Debtors"), as special counsel, nunc pro tunc effective as of September 17, 2008, in the above-captioned cases (collectively, the "Chapter 11 Cases"). Quinn Emanuel was retained upon application, dated October 21, 2008 (the "Application"), by the Creditors' Committee, pursuant to sections 328 and 1103(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), and Rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

3. Unless otherwise stated in this declaration, I have personal knowledge of the facts set forth herein. I will supplement the disclosures made in the Initial Declaration, the First Supplemental Declaration, the Second Supplemental Declaration (each as defined below), and this declaration if additional relevant information becomes available during the pendency of the Chapter 11 Cases.

4. I initially filed a declaration (the "Initial Declaration"), dated October 21, 2008, contemporaneously with the Application. On November 10, 2008, I filed a supplemental declaration in further support of the Application (the "First Supplemental Declaration"). On December 8, 2008, I filed a second supplemental declaration in support of the Application (the "Second Supplemental Declaration").

5. On November 21, 2008, the Bankruptcy Court entered the Final Order Under 11 U.S.C. §1103(a) And Fed. R. Bankr. P. 2014 and 5002, Authorizing Retention And Employment Of Quinn Emanuel Urquhart Oliver & Hedges, LLP As Special Counsel To The Official Committee Of Unsecured Creditors Of Lehman Brothers Holdings Inc. Et AL., Nunc Pro Tunc To September 17, 2008 (the "Final Order"). Among other things, the Final Order granted the Application and approved Quinn Emanuel's retention as special counsel to the Creditors' Committee.

6. Quinn Emanuel has been retained (the "Retention") by Dr. Christiana Suhr Brunner solely in her capacity as Bankruptcy Liquidator (the "Swiss Liquidator") of Lehman Brothers Finance AG, also known as Lehman Brothers Finance SA ("LBF"), to assist the Swiss Liquidator in pursuing recoveries against counterparties (collectively, the "Counterparties") to various derivatives contracts or "ISDA" agreements governed by International Swap Dealer Association and defending against claims by the Counterparties under the agreements. Specifically, Quinn Emanuel will represent the Swiss Liquidator with respect to review, analysis, negotiation, and assertion of claims, and litigation involving such agreements in an effort to reduce exaggerated claims and recover assets for the benefit of creditors of LBF holding acknowledged or allowed claims.

7. Following consultation with the United States Trustee's office, I will ensure that the Representation is narrowly tailored to avoid any conflict with Quinn Emanuel's representation of the Creditors' Committee in the Chapter 11 Cases. Quinn Emanuel will not represent or provide advice to the Swiss Liquidator in any matters adverse to any Lehman Debtor or Lehman non-debtor affiliate (e.g., intercompany claims), nor will it represent the Creditors' Committee in connection with any LBF matters in the Chapter 11 Cases. To the extent LBF matters arise in the Chapter 11 Cases, Quinn Emanuel will recuse itself from any Creditors' Committee discussions or deliberations.

8. Quinn Emanuel presently represents Counterparties Angelo Gordon & Co.; Walt Disney Company; Washington Mutual Bank; Wellpoint Inc. and Zurich Capital Markets Company in matters unrelated to either the Chapter 11 Cases or the Representation. Except with respect to Washington Mutual (at the conclusion of that representation), Quinn Emanuel will not represent the Swiss Liquidator with respect to these entities.

9. Quinn Emanuel further represents affiliates of Counterparties AIG-FP Structured Finance Limited; Banque AIG; D. E. Shaw Investment Group LLC; D. E. Shaw Securities Trading; Elliot Associates LP; Elliot International LP; ING Bank France SA; Swiss RE Global Markets and Taconic Capital Partners LP in matters unrelated to the Chapter 11 Cases or the Representation. Except with respect to Taconic Capital Partners, L.P., from whom an advance waiver was obtained, Quinn Emanuel will not represent the Swiss Liquidator with respect to these entities.

10. The following Counterparties are either Lehman Debtors or affiliated with them: Lehman Brothers Asia Capital Company; Lehman Brothers Commodity Services Inc.; Lehman Brothers Finance S.A., Curacao; Lehman Brothers Inc.; Lehman Brothers International (Europe); Lehman Brothers (lux) Equity Finance SA; Lehman Brothers OTC Derivatives Inc.; Lehman Brothers Special Financing Inc.; and Lehman Brothers Treasury Co. BStrawinskyaan 3105. Quinn Emanuel will not represent the Swiss Liquidator with respect to these entities.

11. The foregoing statements are true and correct to the best of my knowledge, information and belief.

March 4, 2009

/s/ Susheel Kirpalani
Susheel Kirpalani
A Member of the Firm